GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:3115
ANSWERED ON:19.03.2001
FDI IN CIVIL AVIATION SECTOR
RAM PRASAD SINGH

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Group of Ministers (GOM)has recommended entry of foreign airlines in domestic aviation and allowed 49 per cent foreign direct investment in Civil Aviation Sector;

(b) if so, the details thereof; and

(c) the decision of the Government thereon?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a), (b) and (c): In the meeting held on 11.1.2001, the Group of Ministers (GOM) on Foreign Direct Investment(FDI) had,inter-alia, recommended FDI upto 49% in the civil aviation sector on the automatic route and permission to foreign airlines to participate in the joint ventures subject to sectorial guidelines of the Civil Aviation Ministry. However, in its meeting held on 9.2.2001 to review some of the recommendations made in the earlier meeting held on 11.1.2001, GOM on FDI, inter-alia, decided not to recommend change in the existing policy of domestic air transport sector which permits upto 40% foreign equity and upto 100% Non Resident Indian (NRI)/ Overseas Corporate Bodies (OCB) equity participation but prohibits direct or indirect foreign airline equity.